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INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 02 JEDDAH 000770

SIPDIS

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PLEASE PASS TO THE FEDERAL AVIATION ADMINISTRATION'S JOSEPH BOGOSIAN AND NICK SABATINI.

E.O. 12958: DECL: 12/30/2011

TAGS: [EAIR](#) [ECON](#) [ETRD](#) [PGOV](#) [SA](#)

SUBJECT: GACA'S NEED FOR FAA ASSISTANCE IN ITS NEW AGE TRANSFORMATION

REF: RIYADH 8850

Classified By: CLASSIFIED BY: CONSUL GENERAL TATIANA GFOELLER FOR REASON 1.4 (B) AND (D).

¶1. (U) This is an action request. Please see paragraph ¶9.

¶2. (U) Summary. EconOff from Riyadh and Jeddah Pol-Econ Chief met with the General Authority of Civil Aviation (GACA) to follow up on a June 2006 meeting with the Ambassador regarding GACA's need for regulatory training, update in technology, and equipment upgrade. Also discussed was the expansion of Saudi Arabia's international and regional airports and the opportunity for U.S. businesses to be a part of it. End Summary.

¶3. (U) Jeddah Pol-Econ Chief and EconOff met with GACA representatives to include:
--Captain Mohammed Berenji, Vice President of GACA;
--Captain Nagadi, Deputy Vice President of GACA;
--Dr. Robert Rea Crispin, Aviation Safety Expert and former National Transportation Safety Board employee; and
--Abdel Rahman Rashad, Director of AirworthiQs.

MUCH NEEDED TECHNICAL ASSISTANCE

¶4. (U) GACA is interested in renegotiating and enforcing a 1985 Memorandum of Agreement with the Federal Aviation Administration. GACA would like to amend and if necessary incorporate additional annexes in the agreement. GACA would like to update their regulations and safety oversight program to mimic the FAA. Specifically, GACA would like the following:

--FAA assistance to check FAA licenses to ensure validity and authenticity. Currently, GACA provides a blanket approval for FAA licenses and wants to avoid any fraudulent practices;

--Information technology templates and structure of tracking databases which GACA will populate with their information;

--FAA assistance in obtaining certificates of aircraft modifications completed in the U.S. GACA needs a method to track older aircraft upgrades and modifications completed

in the U.S. to ensure Saudi Arabia's safety requirements and standards are met. According to GACA, the FAA keeps paper files on older aircraft and the upgrades/modifications. GACA would like a FAA liaison that can assist in obtaining the necessary information;

--Reinstatement of the Oklahoma based ATOS training program for inspectors. GACA would like to invite the Oklahoma based ATOS instructors to teach the course in Saudi Arabia; and

--FAA continuing education tests for GACA personnel. In the past, the FAA provided tests to foreign countries, but has since stopped. Currently GACA relies on Jeppesen for testing and continuing education, but GACA would like the FAA's knowledge and information.

15. (U) In regards to technology and equipment upgrades, GACA wants to purchase ten to fifteen new aircraft.

(Note: This is in addition to Saudia Airlines plan to upgrade its fleet. End Note.) They are looking at Boeing and Airbus, however the earliest a plane can be ready is 2010 or 2011. Due to the delay, GACA is attempting to lease aircraft. In addition, GACA would like to purchase seventy-ninety helicopters for use by emergency response personnel.

AIRPORT EXPANSIONS

16. (C) GACA is overhauling and expanding many of its international and regional airports. The first of these

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expansions is the Jeddah airport costing an estimated SAR 80 billion (USD 21.3 billion) which will take approximately thirty years. The first phase will be a new terminal that has a connecting train station to take passengers to Mecca and Medina. The first phase is to be finished in 2010 or 2011 and will accommodate approximately 30 million passengers per year. Jeddah's new airport will be built on the current airport's empty land, and the existing airport buildings will be used for cargo and aircraft maintenance. By building on existing land, the Saudi Government will save over SAR 3 billion (USD \$800 million). To raise capital for the first phase, GACA will contribute SAR 3 billion (USD \$800 million), a third party will contribute SAR 2.5 billion (USD \$666 million), and foreign carriers are to contribute SAR 532 million (USD \$142 million).

17. (C) During the planning period for the new Jeddah airport six U.S. companies were invited to participate and prepare bidding proposals. The U.S. companies included: Bechtel; DMJM Aviation; Hill International; Parsons Brinkerhoff; Turner Construction - International LLC; and Louis Berger Group, Inc. According to GACA, none of these U.S. companies submitted bids or showed much interest. GACA would like to work with U.S. companies for the design, construction, and maintenance of the airports, but requires assistance from the U.S. Embassy and Consulate General Jeddah to reach out to the U.S. businesses. The window of opportunity for the Jeddah airport has closed; despite this GACA will begin accepting bids for the other airports and encourages participation by U.S. businesses.

18. (C) Another reason for the airport expansion is to implement WTO regulations and requirements. GACA is trying to comply with WTO regulations by bringing in multiple domestic airlines to compete with Saudia Airlines. In order for fair competition, GACA would like to gradually bring competitors to the market. Also, GACA would like Jeddah airport to be an international hub for foreign carriers in the region. To accommodate both WTO regulations and foreign carriers, this expansion is crucial.

¶9. (U) Action Request. Technical assistance programs with GACA are an important element of the USG's regulatory training initiative with the Kingdom. Post hopes the FAA will assist GACA in its endeavor to upgrade airport infrastructure and technology. Recently, GACA personnel met with the FAA's International Group, Leigh Ann Heart, to discuss such technical assistance. GACA would like to meet with the FAA's Director of International Group in February 2007 to follow up on past discussions. Post appreciates any assistance the FAA can provide to GACA. Please provide information to Lubaina Qaiyumi and Bassem Houssami via front channel cable or email at QaiyumiLB@state.sgov.gov and HoussamiBN@state.sgov.gov by January 5, 2007.

GFOELLER